



STATE OF WISCONSIN  
Department of Employee Trust Funds  
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SECRETARY

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**CORRESPONDENCE MEMORANDUM**

**DATE:** May 26, 2011  
**TO:** Employee Trust Funds Board  
**FROM:** Shelly Schueller, Deferred Compensation Director  
Division of Retirement Services  
**SUBJECT:** Secretary's Correction of Error Authority Report

**This memorandum is for informational purposes only. No action is required.**

The Department of Employee Trust Funds (ETF) Secretary's Correction of Error Authority is provided under Section 40.03(2)(w) of Wisconsin Statutes and took effect on August 31, 2001. It is intended to allow the Department Secretary to correct certain Departmental errors in order to prevent inequities. The statutory provision reads:

If the secretary determines that an otherwise eligible participant has unintentionally forfeited or otherwise involuntarily ceased to be eligible for any benefit provided under this chapter principally because of an error in administration by the department, [the secretary] may order the correction of the error to prevent inequity. A decision under this paragraph is not subject to review. The secretary shall submit a quarterly report to the employee trust funds board on decisions made under this paragraph.

The table on the next page provides information on a recent situation where the Secretary exercised his authority to alleviate participant inequities created by Departmental errors.

Reviewed and approved by Matt Stohr, Administrator, Division of Retirement Services.

Matt Stohr 6/2/11  
Signature Date

Board	Mtg Date	Item #
ETF	6.23.11	<b>5B</b>

Correction of Error Authority Report			
Type of Case	Description of Error	Remedy	Date
Purchase of Creditable Service, s. 40.285 Wisconsin Statutes	Before termination in 2011, the participant made four purchases of forfeited service, which covered the entire amount of service she had forfeited. Three of the purchases were made in 2010. However, Wis. Stat. 40.285(2)(a)3 prohibits more than two service purchases in a calendar year and requires that all service be purchased prior to termination. The participant was not made aware of limitations and made her third purchase in December 2010, during ETF's annual processing. Because of the timing of her third purchase, it was not timely audited by ETF, and she was not notified that she was prohibited from making a third purchase in 2010. Had the participant been timely notified, it is highly likely she would have made the third purchase prior to her termination in 2011, not in 2010.	ETF permitted the participant to purchase all of her creditable service, accepting the third payment made in late 2010. If the third purchase were not accepted, the participant would have been permanently unable to purchase that service because she retired in 2011, and all service must be purchased prior to termination.	April 21, 2011

Correction of Error Usage											
Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
# Corrections	0	2	3	0	0	3	2	0	1	0	1

Staff will be available at the meeting to answer any questions you may have.